

Office of
Governmentwide
Policy



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U.S. General
Services
Administration

GOVERNMENTWIDE REAL PROPERTY INITIATIVES AND ACCOMPLISHMENTS

FY 1997

OFFICE OF REAL PROPERTY

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WASHINGTON, DC
FY 1997



U.S. General Services Administration
Office of Governmentwide Policy
Office of Real Property

FOREWORD

The U.S. General Services Administration (GSA) created the Office of Governmentwide Policy (OGP) in response to a National Performance Review recommendation to separate policy from operations. The Office coordinates the development of policies in areas of GSA responsibility that affect all Federal agencies. Within OGP, the Office of Real Property coordinates Governmentwide real estate policy in collaboration with other Federal agencies and in partnership with the private sector. Its goal is to add value to real property activities by developing sensible policies, disseminating data on best practices and performance, and encouraging professional development.

During fiscal year 1997, the Office of Real Property demonstrated its asset management leadership role for the Federal Government's diverse portfolio of real estate assets through numerous accomplishments and cutting edge initiatives. They included issuance of the Federal Real Property Asset Management Principles to help Federal agencies strategically manage their portfolios of real property assets. Working with the White House Domestic Policy Council in development of the President's Executive Order regarding protection of Federal employees and the public from tobacco smoke in the Federal workplace, the Office collaborated in the revision of pertinent policies and

regulations to ensure prompt compliance. Using input from other agencies and evaluating available courses in both the public and private sectors, the Office began to develop a "core curriculum" of training for Federal employees working in real estate. The Office also initiated an annual awards program to recognize innovative policies and practices in Federal real estate management. We will share these top policies and practices with our customers for use in improving asset management.

Also, the Worklife Enterprises Division joined our organization this year. This group carries out a critical role as an advocate for governmentwide workplace quality through such initiatives as alternative workplaces, affordable child-care, and telecommuting.

Real estate is the Federal Government's most tangible asset. The Office of Governmentwide Policy, through its Office of Real Property, pledges to continue to partner with Federal agencies and the private sector to apply sound business practices and performance measurements in managing the Federal real estate portfolio. American taxpayers deserve no less.



G. Martin Wagner
Associate Administrator
Office of Governmentwide Policy

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EXECUTIVE SUMMARY

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The Office of Real Property, part of GSA's Office of Governmentwide Policy, develops policies and guidance for real property acquisition, development, management, and disposal throughout the Federal Government. The Office's objective is to ensure that Federal agencies acquire, manage and use Federal real property assets to meet their needs economically and efficiently.

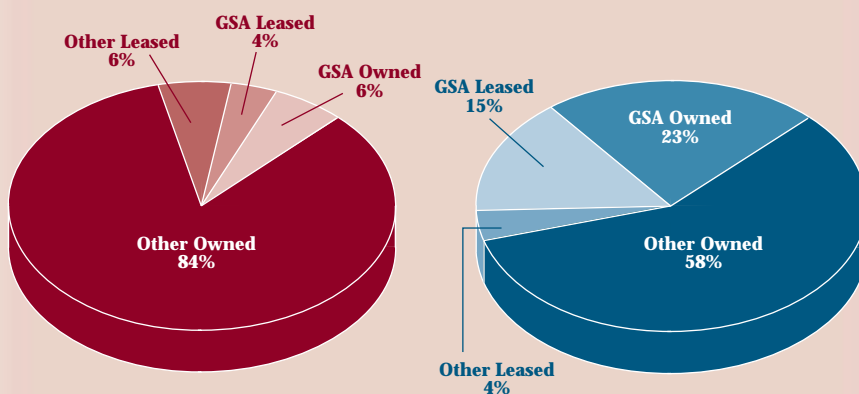
The Office of Real Property serves as an advocate for best practices and fosters Governmentwide dialogue and information exchange regarding key issues and challenges in Federal real estate. Its sphere of influence is the Federal inventory of

3.3 billion square feet of space (including 674 million square feet of office space).

This annual report summarizes the Office's accomplishments and initiatives during fiscal year 1997. Additional information on these accomplishments and initiatives is also available on the Office's Internet homepage at <http://policyworks.gov/realproperty>.

The Office will continue to provide leadership in partnership with other agencies and the private sector to unify best practices and encourage sound management of Federal real estate into the 21st century.

Sphere of Influence



The Governmentwide space inventory is 3.3 billion square feet.

For office space only, the Governmentwide total is 674 million square feet.

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Asset Management Principles

The Office of Real Property recognized that the Federal Government needed a set of guiding principles for consistent management of Federal real estate assets. Working with experts in the field, including GSA and other Executive Branch real property professionals and academic and industry experts, the Office developed the Federal Real Property Asset Management Principles. Academic experts included staff from the Massachusetts Institute of Technology, Harvard University, American University, and the University of Virginia. Industry professionals came from the Urban Land Institute and the Building Owners and Managers Association.

The Principles were published as GSA Bulletin FPMR D-240 in the Federal Register on October 16, 1996. They are intended to be used as general guides in the management, utilization, and disposal of Federal real property-its "life cycle." The nine principles were written in both bullet form for easy reference and a longer version with a description and example of the meaning

and intent of each. The Office of Real Property will continually monitor implementation of the principles and update them as needed. In bullet form, the principles are:

- Use what you have first
- Buy only what you need
- Use industry-like instruments of agreement
- Reinvestment is essential
- Income/expenses comparable to the market
- Maximize use among agencies
- Timely disposal
- Retain proceeds from disposal and outleasing
- Professional training

A complete description appears on the Office of Real Property's Internet site at <http://policyworks.gov/realproperty>.

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Office Space Use Review

In an effort to improve the use of office space by Federal agencies, the Office of Real Property conducted an extensive review of current trends and space use practices prevalent in the private sector and in State, local, and foreign governments. Findings reveal that the traditional workplace is changing and evaluating space use is more com-

plex as a result. The review goes beyond the typical analysis of space utilization rates and addresses larger management and workplace issues such as the use of alternative work strategies to improve pro-

ductivity and space efficiency.

The review identifies best practices and benchmark data and suggests how they may be used within the Federal community. It breaks new ground for the Federal sector by emphasizing flexibility, individual agency responsibility, strategic planning for real property

needs, and an overall average utilization rate measured in private sector terms. The results of the review were received enthusiastically by Federal agencies during a customer consensus-building seminar in September 1997. The resulting report, *Office Space Review: Current Practices and Emerging Trends*, was forwarded to the Office of Management and Budget in response to that agency's request for information on follow-on efforts to implement the Federal Real Property Asset Management Principles. The report is available to the Federal community and other interested parties as well as accessible electronically on the Office of Real Property's homepage.

Governmentwide Real Property Information Sharing (GRPIS) Study

The Office of Management and Budget (OMB) asked GSA to do a follow-on implementation of the Federal Real Property Asset Management Principles, issued in October 1996, to determine the benefits of interagency sharing of community-based real property information. The goal of the study, the Governmentwide Real Property Information Sharing (GRPIS) Study,



was to evaluate whether an interagency community-based master plan would be the most beneficial means of helping Federal agencies make decisions regarding real property.

The Office of Real Property formed an Interagency Research Council and an Interagency Research Team representing twelve agencies to provide agency insight and feedback, help develop the study outline, and select the pilot community for the study. Seattle-Everett-Tacoma was chosen for the initial study because of its broad mix of federal agencies with landholding authority.

The Office held kickoff meetings for the GRPIS Study in Seattle in June 1997 to introduce the project, solicit Federal agency support at the field level, plan site visits, and to seek input from State and local planning organizations. The GRPIS Study process was completed in August 1997 and revealed a number of interesting and pertinent findings.

The GRPIS Study process was instrumental in bringing Federal agencies together to discuss potential areas for cost savings. An example of the value of bringing agencies together during the GRPIS Study process occurred when the United States Postal Service (USPS) and GSA exchanged real property

information that led to the USPS leasing space from GSA at an annual cost savings of \$350,000. The GRPIS Study document itself was beneficial for sharing up-to-date and accurate real property information among Federal agencies.

Of particular importance during the GRPIS Study process was the decision of Federal real property personnel participating in the Study to form a Regional Interagency Council (RIC). The RIC will continue identifying and pursuing opportunities for cost savings through collaboration that will result in better asset management decisions.

Upon completion of the Study, the Office of Real Property prepared a GRPIS Report for submission to OMB. The report analyzes the development of the GRPIS Study and evaluates other methods of sharing real property information. The report also discusses plans for administering and conducting additional GRPIS Studies in other communities. The Office's effectiveness



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in conducting the GRPIS Study is attributed to its neutral position as a non-biased facilitator, as viewed by the participating agencies.

Real Property Disposal Policy Review

The Office of Real Property completed a review of Governmentwide real property disposal policy. The review was done in collaboration with 15 of the 17 Federal landholding agencies that have statutory authority to dispose of real property, including the Departments of Defense and Interior and the Tennessee Valley Authority. All known laws, Executive orders, Congressional mandates, and policies that relate to real property disposal were reviewed. The final report was disseminated to all of the participating agencies and to other interested parties.

Recommendations will be implemented during the coming year and will involve revising a number of statutes that deal with real property disposal. These changes should make the disposal process more efficient and provide incentives for agencies to dispose of surplus property by retaining the proceeds from the sale of properties under their custody and control.

Restriction of Tobacco Smoke at Federal Facilities

On August 9, 1997, the President signed Executive Order (E.O.) 13058, "Protecting Federal Employees and the Public from Exposure to Tobacco Smoke in the Federal Workplace." In support of this Administration's efforts to promote a healthy workplace, the Office of Real Property took the lead to revise the applicable Federal policies and regulations. The Office worked with the White House Domestic Policy Council in development of the E.O., and developed the Federal Property Management Regulation Bulletin announcing the policy contained in the E.O.

Smoking is now prohibited, with few exceptions, in all interior space owned, rented, or leased by the Executive Branch of the Federal Government. The heads of Federal agencies must evaluate the need to restrict smoking at doorways and in courtyards in order to protect workers and visitors from environmental tobacco smoke, and may restrict smoking in these areas in light of this evaluation. Agency heads must implement and ensure compliance with the policy set forth in the E.O. no later than August 9, 1998. Prior to this date, they must inform all employees and visitors to Executive

Branch facilities about the requirements of the E.O., inform their employees of the health risks of exposure to environmental tobacco smoke, and undertake related activities as necessary. The Office of Real Property will continue to maximize its leadership role in areas such as this to improve the quality of the Federal workplace.

Homepage/Clearinghouse

The Office of Real Property's Internet site -- <http://policyworks.gov/realproperty> -- contains extensive information about the organization, and the initiatives and policies it has developed. It also contains the innovative Real Property Information Clearinghouse.

The Clearinghouse allows Federal real estate professionals to access and share building and facility data, as well as other critical real estate information such as performance measures and best practices. It was initiated in response to a National Performance Review recommendation that the GSA act as a "clearinghouse" to offer Federal agencies alternatives for satisfying their real property needs. The Clearinghouse contains information on:

- Vacant space
- Suppliers
- Inventory
- Organizations
- Policies and procedures
- Agency highlights
- Properties for sale
- Space needs
- Training
- Workplace initiatives

The information on the Homepage and Clearinghouse is updated regularly in partnership with public and private sector real estate sources to meet Federal agencies' ongoing needs.

Real Property Polycysite Newsletter

Real Property Polycysite is the Office of Real Property's new quarterly newsletter on real property policy and practices. The first issue,



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published in June 1997, was devoted to asset management initiatives that the Office was developing. These included public/private collaboration, training to encourage professional development and state-of-the-art skills, public recognition of innovative policies and practices, and the Real Property Information Clearinghouse on the Internet.

Future issues will share happenings in the real property arena throughout Federal, State, and local governments, industry, associations, and foreign governments and will highlight innovative best policies and practices.

The newsletter will also include reviews of various publications and articles from professional magazines to keep our customers informed of the latest news on such issues as real estate trends, best practices, and performance measures. It will also contain customer input about real estate topics that affect the entire real


estate community in both the public and private sectors.

Outreach and Collaborative Partnerships

The Office of Real Property has a wide variety of customer outreach activities, such as customer visits and forums, to partner and foster consensus on a broad range of real estate issues and initiatives. Some of our recent efforts include:

Forums. In response to concerns expressed by Federal agencies and the telecommunications industry about siting wireless antennas on Federal property, the Office of Real Property sponsored a series of forums on the subject. Attendees acknowledged the need for improved communication, education, and sharing of best practices to implement the President's Executive Memorandum, "Facilitating Access to Federal Property for the Siting of Mobile Service Antennas," and the Telecommunications Act of 1996 (Section 704). A joint Federal/industry working group was established to review major areas of concern, including site pricing, competition, and fees. As a result of insight gained from the forums





and information shared in the working group, the Office of Real Property revised the implementing guidelines, which were published in the Federal Register in June 1997. Additional guidelines on fees are being developed.

The Office also sponsored the Electric Industry Restructuring Forum in partnership with GSA's Office of Acquisition Policy on October 22, 1997. The forum examined opportunities for "lessons learned" and collaboration in order to take advantage of competition in the electric industry to obtain lower cost energy for Federal agencies.

Partnerships. The Office of Real Property has ties to many associations representing real property interests and participates in national and international conferences and other events. In May 1997, Deputy Associate Administrator David Bibb attended the annual Workplace Network Workshop in Canada, where senior real estate executives from around the world participated in the exchange of experiences and insights about providing and managing workplaces.

Mr. Bibb also addressed a Federal Real Property Association (FRPA) luncheon in Washington, DC, in July on asset management and Governmentwide real estate policy issues and practices. The FRPA consists of Federal and private sector real estate professionals who meet monthly to share information and ideas on Federal real estate issues. FRPA members enthusiastically received Mr. Bibb's presentation as he outlined such activities and initiatives as space use review, telecommuting, and Governmentwide community planning.

Customer Outreach Visits. The Office regularly visits Federal agency real estate representatives to create partnerships on issues of common concern, such as facility security, data management systems, buildings management, best practices, and space use standards.

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Real Property Innovation Award

In the spirit of the National Performance Review, the Office of Real Property initiated the annual GSA Achievement Award for Real Property Innovation to recognize real estate practices and policies that make the Government work better and cost less. Federal agencies with innovative real property policies and practices will be recognized and their good ideas will be shared throughout the Federal real estate community. The Office wants to identify policies and practices that enhance Federal

real estate management through demonstrated efficiencies and savings in energy, cost, and time. These may include innovations and improvements in real property acquisition, construction, renovation, disposal, security, and planning.

The 1997 award winner for the best practice was the Department of

Energy (DOE) Headquarters Space Management Team for -- "The Strategic Alignment Initiative used in the DOE Headquarters Space Consolidation." The best policy winner was the Javits-Wagner-O'Day Working Group of GSA's Public Buildings Service (PBS) for -- "A Guide to the Javits-Wagner-O'Day Contracting in PBS." All of the best practices and policies submitted for the award will be posted on the Internet.

The Ceremony was held on November 4th with nominations evaluated by the following panel of industry experts:

- Carol Beal, Director General, Real Estate, Public Works and Government Services, Canada
- G. Edward DeSeve, Acting Deputy Director for Management, Office of Management and Budget
- Lanny Felder (CFM), International Facilities Management Association, and Director, Real Estate and Facilities, Blue Cross Blue Shield of Florida
- Todd Lewers (CPM) (CSM), Building Owners and Managers Association, and Managing Director, Apex Site Management Company



Carol Beal stated in her address at the Ceremony that the Canadian Government faces many of the same challenges of the U.S. Federal Government - shrinking budgets, aging real estate assets, downsizing, and new initiatives. She captured the spirit of the Ceremony when she shared her satisfaction of serving on the awards jury as well as capitalizing on the opportunity to utilize many of the Federal best practices and policies with her colleagues in the Canadian Government.

Electronic Inventory Management Systems

The Office of Real Property has developed two information systems to help Federal real estate professionals manage their assets more efficiently. They are described below. The first—Foundation Information for Real Property Management (FIRM)—is a detailed, tactical system meant to be used for the day-to-day management of property. The other—the Worldwide Inventory of Federal Real Estate—contains summary data from all Federal agencies and is meant for strategic planning. Bearing in mind the relationship between the two needs, the Office built FIRM with

the capability to automatically provide data to the Worldwide Inventory, eliminating unneeded steps and providing increased data accuracy.

FIRM: Foundation Information for Real Property Management.

The Office of Real Property recognized that real property managers in the 39 Federal agencies that manage real estate needed a quality information system to effectively manage their assets. FIRM meets that need and will save millions of dollars. FIRM was developed cooperatively with other agencies using Government-off-the-shelf software. Within a year of its release, it is being used to manage 25 percent of the Federal civilian real property inventory worldwide. The Office of Real Property is continuing to collaborate with agencies to improve FIRM and expand its use to more agencies.



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Worldwide Inventory of Federal Real Estate. The Worldwide Inventory brings together in one easy-to-use database all of the real property owned or leased by the Federal Government throughout the world. This includes more than 517,000 buildings with over 3 billion square feet of space and 680 million acres of land under the control of 39 agencies. In 1998, this data will

be available through the Internet. The Inventory allows agency planners and policymakers involved in the complex decisions related to real property to get an overall picture as well as view specific details.

An agency with a growing need for space in a given community may now, for example, locate another agency with shrinking needs in the same community. Assets not fully utilized can be returned to private use, reducing Government costs to maintain and operate them and producing tax revenues for local communities. Private use of the properties may increase jobs and property

values. Managers can make better decisions, often with significant socioeconomic impacts, when they know in detail what properties all agencies have in a community and how those properties are being used.

Reference Guide for Real Property Policy

The Office of Real Property realized that the Federal community needed an integrated, user-friendly guide--a kind of roadmap--to all of the Federal real estate laws and regulations. As a result, the Office is issuing the General Reference Guide for Real Property Policy. This guide contains all applicable laws, Executive orders, and GSA Federal Property Management Regulations (FPMR's). They are grouped by subject area, and an index is included for easy cross-referencing. The guide is one of a series of documents that the Office of Real Property will continue to develop to keep the Federal and private sector real property communities informed and educated on current issues regarding real property policy.

Federally-Sponsored Childcare

For many years, GSA has provided oversight and support to childcare centers in its Federal facilities. There are currently over 100 such childcare centers in GSA space. Congress and the Office of Management and Budget (OMB) have recognized GSA's expertise and success in this area. As a result, OMB has encouraged GSA to expand its childcare leadership Governmentwide. GSA responded by establishing the Worklife Enterprises Division within the Office of Real Property.

Even before the Worklife Enterprises Division was officially established, the Office spearheaded the following initiatives:

- A nationwide study of the accessibility and affordability of child care in Federal facilities
- A proposal to amend the current laws, to enable agencies to help employees find affordable childcare

During fiscal year 1998, the Office will continue its pursuit of standardized quality and its commitment to improving affordability by carrying out a plan that includes the following:

- Create a Governmentwide regulation that establishes minimum standards for the operation of a Federal childcare center
- Establish and lead an interagency council to coordinate childcare policy
- Gather and publish best practices in agency childcare programs
- Sponsor training and networking opportunities for program personnel
- Explore means of making childcare in Federal facilities more affordable

These efforts will help Federal agencies identify and prevent health, safety, and facility problems; boost confidence in Federal childcare centers; and promote needed communication in the Federal Government regarding childcare.



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Real Property Policy Changes

Governmentwide Real Property Policy. As part of its reengineering effort, the Office of Governmentwide Policy (OGP) wants to provide a clear distinction between real estate policy and procedures. To do this for our customers, we have authored FPMR Part 101-16, Governmentwide Real Property Policy. It was published in the Federal Register as a proposed rule on August 7, 1997, for a 60-day comment period. This proposed rule describes the current real property policies applicable to GSA and Federal agencies to which GSA real property operations have been delegated. The policies have been separated from their procedural components and reflect the way that real property operations are currently conducted. Comments received will be reconciled, and the document will be published as a Final Rule in "plain English" in the Federal Register by early 1998.

Worldwide Inventory GSA Form 1166. In partnership with GSA's Public Buildings Service, the Office of Real Property has reengineered GSA Form 1166, which agencies use to submit real estate utilization and disposal data to the Federal

Worldwide Inventory. The new form and revised instructions were issued in June 1997 (FPMR Part 101-3, A-54, Annual Report of Real Property Owned by or Leased to the United States). The instructions were written in "plain English" to make them easier to read and use. The Office will continue to convert many real estate regulations to "plain English."

Delegation of Lease Acquisition Authority. GSA began its new "Can't Beat GSA Leasing" program on October 16, 1996. In support of the National Performance Review's recommendation that GSA open itself to competition and focus on customer satisfaction, this program provides Federal agencies with the option of using GSA or performing space acquisitions on their own. OGP provided valuable guidance on the program to the Federal community in GSA Bulletin FPMR D-239 and D-239, Supplement 1.

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Integrated Workplace

The Office of Real Property will promote a comprehensive approach to providing leading-edge workplaces for the Federal Government. To accomplish this, we are examining the latest workplace strategies in the public and private sectors; identifying available cutting-edge technology; and outlining resources and methodologies to help maximize the effectiveness and minimize the cost of providing workspace.

Results of these initiatives will include establishing ways to share information and resources, and issuing principles and guidelines, including best practices, to help in delivering state-of-the-art workspace. Our goal is to anticipate the needs of our Federal customers. We plan to issue a report and a Federal Property Management Regulation Bulletin on this by late summer 1998.

Governmentwide Training

The Office of Real Property is taking a leadership role in identifying and encouraging appropriate training opportunities for Federal real property professionals. Based on our April 1997 survey of Federal customer agencies, we identified

the most critical subject areas where training is needed. We subsequently identified experienced training providers that offer courses in some or all of these areas. All of this information is available on the Office's web site.

The Office's commitment to this Governmentwide training initiative is ongoing. Our role is:

- To continue to assess Federal real property training needs and research other data and information relating to real property training
- To continue to identify private and public sources of suitable training in the real property area
- To encourage these providers to update and expand their course offerings to better meet the identified needs of the Federal real property community



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- To assist Federal real property professionals on a one-to-one basis with inquiries about training opportunities
- To provide timely data on both the demand for and supply of real property training on our web site

Cooperative Administrative Support Units

During recent years, public and private organizations have begun experimenting with new partnership strategies. Partnerships can lower risks, generate economies of scale, and achieve levels of excellence not possible when resources are fragmented among a large number of organizations. One such experiment is the Cooperative Administrative Support Unit (CASU) program, initiated by the President's Council on Management Improvement and sponsored by GSA. The Office of Real Property's new Worklife Enterprises Division is responsible for the CASU Program. This successful interagency venture involves a national network of local CASU's that provide services to Federal agency customers in communities across the country. By consolidating requirements and administration, organizations have

reduced unit costs and defrayed operating expenses in more than 40 administrative service areas, including:

- Mail management
- Photocopier management
- Warehousing
- Labor and moving
- Property management
- Personnel function
- Common needs training
- Other office services

In order to continue to avoid duplication and achieve economies of scale in today's environment of streamlined government, significant adjustments to the CASU program will be made during fiscal year 1998. By stressing adherence to strict cost-accounting principles designed to reduce the use of appropriated funds to support reimbursable Government operations, the CASU network intends to foster increased competition and public-private partnerships to reduce the cost of support services in the Federal Government.

Expansion of CASU services to a wider customer base will greatly increase savings by Federal agencies in the procurement of goods and services. And because the majority of these services will be provided through contracts with the private sector, the economy will be stimulated while the taxpayer will benefit from reduced Government spending.

Alternative Workplaces

Over the last few years, GSA has grown gradually into the role of lead agency on Governmentwide telecommuting implementation. Currently, as co-lead agency for the National Telecommuting Initiative, the Office of Real Property, in addition to orchestrating and coordinating a nationwide promotion of telecommuting, is planning to:

- Launch exciting research into the business and environmental impact of telecommuting
- Develop and disseminate updated guidance on all aspects of telecommuting

- Develop much needed Governmentwide telecommuting policy

The Office will serve as a resource for our customers on policies, research, and business-related information applicable to telecommuting, alternative officing, and related activities. It will also provide advice, guidance, and other support services to organizations interested in implementing or piloting such programs.

A major goal is to transition telecommuting from a niche program to a broad application that is a regular part of human resources, facility, technology, and financial management. The Office of Real Property plans to boost its involvement and support of partnership activities such as Telecommute America! and the International Telework Association.

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Governmentwide Real Property Performance Measurement

As a result of the National Performance Review and the Government Performance and Results Act of 1993, all Federal agencies must measure their performance, i.e., the results of their programs. Real property is a common expense that must be measured as a Governmentwide function.

However, a wide range of agencies have their own real property authorities. This creates a decentralized real estate operation in the Federal sector that makes measurement challenging and collaboration critical.

The Office of Real Property wants to help the Federal Government toward continual improvement of its real property operations. To this end, the Office established a team to develop, in collaboration with other Federal agencies, a set of appropriate Governmentwide real property performance measures and a methodology for annual measurement. The initiative will address two short-term goals:

- Build consensus/raise awareness/increase Governmentwide participation in real property performance measurement

- Establish a Governmentwide baseline for the agreed-to set of measures that will allow agencies and GSA to evaluate and benchmark performance

The long-term goal for the Federal community is to demonstrate improved asset management relative to the baseline measurements.

Sharing Best Practices

One of the most critical roles of the Office of Real Property is the identification of real property best practices and their dissemination among our Federal agency partners. The vehicles we are using to share these practices include:

- *Real Property Polycsite* Newsletter
- GSA Achievement Award for Real Property Innovation
- Homepage/Clearinghouse
- Agency forums/meetings
- Outreach visits
- Special studies (e.g., 1997 Office Space Use Review, GRPIS Study)

An Office of Real Property project team, in collaboration with the public sector, will do the following:

- Review the ways we currently identify best practices
- Review the ways information is currently disseminated on best practices
- Determine if some formal approach is needed (such as web page or publication)
- Determine how to keep best practices current
- Determine ideas for next steps or spin-off projects

Legislative Advocacy

Recognizing the need for legislative improvements for better Federal asset management, the Office of Real Property has developed a draft bill entitled the "Real Property Asset Management Improvement Act of 1997." It would amend the Federal Property Act to add two new improvements to Federal real property management.

First, under certain terms and conditions, the head of an agency would be able to execute outleases and permits for interim non-Federal uses of two classes of property holdings:

- (1) Property temporarily not being fully used for the conduct of the agency's mission, but not

properly reportable to GSA as excess property

- (2) Property that, although subject to the highest practical Federal use, might lend itself to publicly valuable incidental uses (e.g., commercial telecommunications antenna sites)

All revenues realized from such interim-use agreements would be retained by the agency holding the property, with a stipulation that the money be used for care and maintenance of the agency's real property inventory.

Second, agencies releasing real property holdings as excess to their needs would be awarded a return of a sizeable percentage of the net proceeds realized if the property were to be sold as surplus. As with interim-use revenues, recovered moneys would have to be used for management and care of the agency's remaining inventory, but appropriate amounts could be used to support any sponsorship duties related to public benefit real property conveyance



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programs for which the agency may be responsible. GSA would retain a small percentage of net proceeds to fund such priority undertakings as relocation projects, special environmental restorations, and resolution of problematic property disposal cases.

Legislative initiatives such as this provide the flexibility needed by today's Federal portfolio managers as we prepare for the 21st century.

Delegations Program Review

The Office of Real Property is responsible for evaluating and assessing policy implementation that governs real property delegations granted by the GSA Administrator. The Office is establishing a team of real property professionals that will review, coordinate, and recommend solutions to ensure that existing delegations are cost effective and implemented in compliance with established policy guidance. Evaluation of the delegation programs will be conducted in partnership with GSA's Public Buildings Service, and in collaboration with the affected customer agencies.

For each review, the team will concentrate on an agency's compliance with statutory authority, regulations, and policy, as well as benchmark costs incurred, evaluate business judgement, and provide recommendations for refinements and/or improvements to existing Governmentwide policies. The team will begin by reviewing the Delegation of Lease Acquisition Authority program.

Public/Private Ventures

Public/private ventures have been approved for selective use by a handful of agencies through recent legislation. The Office of Real Property has undertaken an initiative to study the feasibility of further partnering by other Federal agencies with the private sector (including the use of private sector capital) to upgrade and renovate Federal facilities. The structure of a partnership entity (limited partnership, limited liability company, business trust, etc.) will be reviewed in terms of the roles, responsibilities, contributed assets, retained equity, share of proceeds, and ongoing management involvement of the respective partners.

The team will evaluate partnership structures in terms of compatibility with the scoring procedures established by the Office of Management and Budget and the Congressional Budget Office, Government security concerns, and legislative actions that may be required for implementation of such partnerships.

Capital Programming for Real Property

The Office of Real Property is studying how to make the Office of Management and Budget's (OMB) new Capital Programming Guide more meaningful for the Federal real estate community. In particular, the office will investigate whether there is a need to provide agencies with training on use of the Guide with regard to real property asset management.

OMB issued the Guide to help agencies comply with its Circular A-11, Part 3, which requires all Executive Branch agencies to report their annual budget submissions in a revised format. A Government-wide team of volunteers that included GSA representatives wrote the Guide.

Circular A-11, Part 3, was issued to comply with requirements of the Government Performance and Results Act, the Federal Acquisition and Streamlining Act, the Federal Acquisition Reform Act, and the Information Technology Management Reform Act. Essentially, it requires agencies to justify their budget submissions two fiscal years in advance, but with more analysis and programmatic justification than has been required in the past.

The Capital Programming Guide will help agencies identify fixed capital assets and plan better for their acquisition, utilization, and disposal (their life cycle) in order to budget for them more accurately. Using the Guide as a tool, agencies should be able to meet the requirements of OMB Circular A-11, Part 3, with more accurate information, allowing budget submissions to better withstand OMB's review process and improving their chances for approval.



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